

Media Release

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COVID-19 unearths opportunities for advisers according to new white paper

COVID-19 is to financial advisers what end of financial year is to accountants; an invitation to talk to people about planning for the future, according to a new report that suggests public awareness of the importance of professional advice has increased 54% in the past 12 months.

The latest paper from ClearView, titled *Fertile ground for an advice outbreak: How COVID-19 has changed the financial services landscape forever*, claims that, despite the noise about falling adviser numbers, the advice industry is actually experiencing a renaissance, with 56% of advisers reporting higher client engagement in the past year, 42% reporting an increase in client referrals and a quarter stating that COVID-19 has made it easier to talk to clients about taking out or renewing life insurance cover.

According to the paper's co-author, Gerard Kerr, ClearView General Manager for Life Insurance, COVID-19 provided the jolt many industries and professions needed to disrupt their routine and force a rethink of their value proposition and how it is delivered.

"The COVID-19 experience has demonstrated that advice businesses need a proposition that is broad and flexible enough to meet their clients' immediate needs as well as their long-term financial needs," he said.

"In the past 12 to 18 months, we have seen advisers apply themselves to also help clients access relief measures, rent reductions and short-term life insurance premium waivers. As a result, many are riding a wave of positive consumer sentiment and increased demand."

Based on proprietary research conducted by ClearView, 20% of advised clients are currently experiencing significant temporary financial stress, 14% are experiencing significant ongoing financial stress and 22% are dealing with mild stress.

ClearView Managing Director Simon Swanson said the data highlighted the importance of interpersonal and soft skills such as active listening, empathy and problem-solving to better support clients during difficult times.

"Higher education and training standards are critical for rebuilding trust in financial services and strengthening consumer protections, however, we need to foster essential soft skills too," he said.

"In addition to ordinary challenges related to health, relationships and work, Australians have battled natural disasters including severe bushfires, drought and floods in the past couple of years, amidst a global pandemic."

"During this time, advisers have listened to people talk at length about their fears and concerns, fielding calls around the clock from anxious, depressed and emotional clients."

Mr Swanson cited the paper's findings that 73% of clients would immediately contact their adviser if they had a severe injury or illness and 63% would immediately contact their adviser if they lost their job, as evidence of the strong, personal relationship advisers had with their clients.

“Since the onset of COVID-19, advisers have really stepped up to provide additional support to their clients and long after this pandemic has dissipated, more people will likely continue to seek advice,” he said.

For a copy of *Fertile ground for an advice outbreak: How COVID-19 has changed the financial services landscape forever* visit www.clearview.com.au/ebook/white-paper

For more information, contact:

Media inquiries

Leng Ohlsson

Head of Marketing and Corporate Affairs

T: (02) 8095 1539 **M:** 0409 509 516

E: leng.ohlsson@clearview.com.au

About ClearView

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